



Government of
Saskatchewan

2006 - 2007 Annual Report

Public Service
Superannuation
Board

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This annual report is available in electronic format at www.peba.gov.sk.ca

Letter of Transmittal



His Honour, The Honourable Dr. Gordon L. Barnhart
Lieutenant Governor of the Province of Saskatchewan
Government House
4607 Dewdney Avenue
Regina, Saskatchewan
S4P 3V7

Dear Sir:

I have the honour to submit herewith the eightieth Annual Report of the Public Service Superannuation Board, together with the financial statements, for the fiscal year ending March 31, 2007, pursuant to the provisions of Section 69 of *The Public Service Superannuation Act*.

I have the honour to be, Sir,

Your obedient servant,

Pat Atkinson

Pat Atkinson
Minister in Charge
Public Service Superannuation Board

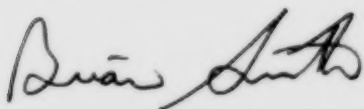
Letter of Transmittal

The Honourable Pat Atkinson
Minister in Charge
Public Service Superannuation Board
Regina, Saskatchewan

Madam:

On behalf of the Public Service Superannuation Board, I have the honour to present herewith the eightieth Annual Report of the Public Service Superannuation Board for the fiscal year ended March 31, 2007.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Brian Smith". The signature is fluid and cursive, with the first name "Brian" and last name "Smith" clearly distinguishable.

Brian Smith
Assistant Deputy Minister
Public Employees Benefits Agency

The Public Service Superannuation Board

The Public Service Superannuation Plan

Introduction

The primary purpose of the Public Service Superannuation Board (Board) is to provide pension benefits to employees in the event of retirement and secondarily in the event of termination of employment. The Public Service Superannuation Plan (Plan) also provides benefits to the dependents of deceased employees and superannuates in the event of death either prior, or subsequent, to retirement.

The Plan is governed by *The Public Service Superannuation Act*, which came into being on May 1, 1927. The Act also governs employees of The Anti-Tuberculosis League and the Saskatchewan Transportation Company.

The Plan was closed to new members as of October 1, 1977, so the Plan is considered a mature plan with the amount of benefit payments increasing each year.

Public Service Superannuation Board Members

Brian Smith	Chair
Richard McKillop	Member
Carolyn Salloum	Member

Table 1.1

Operation of the Plan

The Plan is a defined benefit pension plan, which provides a benefit based on an employee's highest earnings during specified periods taking into consideration their total years of service to a maximum of 35 years. Currently employees who are contributing to the Plan make contributions at a rate of 7%, 8% or 9%, depending on their age when they entered the Plan. This contribution is offset by an amount equal to 1.8% of their pensionable earnings between the Year's Basic Exemption and Year's Maximum Pensionable Earnings as defined on an annual basis by the Canada Pension Plan.

Any deficiencies in the Plan are paid out of the General Revenue Fund and are the responsibility of the Government of Saskatchewan. For the most part the Plan is unfunded, although some monies are held in the Saskatchewan Transportation Company Employees Superannuation Fund.

The following table below shows the number of active and retired employees in the Plan as of the current and prior year-ends.

Active and Retired Employees

	March 31, 2007			March 31, 2006		
	PSSP	Anti-TB	STC	PSSP	Anti-TB	STC
Active Employees	1,302	0	11	1,437	2	13
Inactive Members	119	3	6	121	2	6
Retired Employees*	5,719	74	127	5,786	76	126
	7,140	77	144	7,344	80	145

*Includes superannuates, plus their dependants now in receipt of a survivor pension.

Table 1.2

Benefit Payments

During the plan year, benefit payments are made in accordance with the Plan rules due to retirement of employees, termination of employment and death benefits – either due to death of an employee or a superannuate.

The lifetime retirement benefit payment is calculated as 1.3% of the average of the highest five years annual salary times the number of years service (maximum of 35 years) plus 0.7% of the salary over the average Yearly Maximum Pensionable Earnings (YMPE) times the years of service. Members who retire prior to age 65 also receive a bridging to age 65 calculated as 0.7% of the lesser of the average of the highest five years annual salary or the average YMPE for the five years prior to retirement. The average YMPE is currently \$41,460 (prior year average \$40,540).

The following tables show all employees (including STC and Anti-TB) who retired during the year, split into various categories as to type of retirement and/or employees who terminated and elected retirement at a future date or died during the year.

Contributions to the Plan

In accordance with the contribution schedules outlined above, employee contributions to the Plan during the year totaled \$4,256,000. This compares to \$4,379,000 as of the previous fiscal year end. In addition, employer contributions were made to the Plan during the year, totaling \$1,130,000.

Table Summary			
		March 31, 2007	March 31, 2006
Table 1	Attained Age 65	8	15
Table 2	Attained Age 60 - with reduction	-	-
Table 3	Attained Age 60 - no reduction	38	36
Table 4	Attained 35 years of Service	60	67
Table 5	Age 55 and 30 years service - reduced pension	9	17
Table 6	Ill Health Pension	-	-
Table 7	Granted Deferred Allowance	-	-
Table 8	Deferred Allowance now Payable	1	6
Table 9	Early Retirement Allowance	-	2
Table 10	Deceased Employees	8	8
Totals		124	151

Table 1.3

The following summaries show the total number of death benefits paid on behalf of superannuates who died during the year and benefits upon termination of employment other than retirement.

Death Benefit Summary		
	March 31, 2007	March 31, 2006
Superannuate Survivor Pension	88	83
Superannuate Cash Benefit	2	2
Totals	90	85

Table 1.4

Termination of Employment Summary		
	March 31, 2007	March 31, 2006
Cancel Deferred	-	1
Termination of Membership	3	-
Reciprocal Transfers	-	-
Totals	3	1

Table 1.5

Investment Performance

The Minister of Finance is responsible for holding in trust and investing the monies in the Saskatchewan Transportation Company Employees Superannuation Fund (Fund). The Minister has delegated these responsibilities to the Public Service Superannuation Board, who in turn have retained the services of Greystone Capital Management Inc. to be the investment manager.

The investment manager makes the day-to-day decision of whether to buy or sell specific investments in order to achieve the long-term investment performances set out by the Board in their Statement of Investment Policies and Goals for the Fund. It is against these long-term investment performance objectives that the Board assesses the performance of the investment manager.

The Fund's long-term investment performance objective is to outperform a benchmark portfolio constructed.

Benchmark Portfolio		
Asset Class	Market Index	Weight
Canadian	S&P/TSX Composite	15%
	CPMS CAP 10 Index	
US	S&P 500 US	10%
	Stock Index	
Non-North American	MSCI EAFE Index	10%
Fixed Income Bonds	SC Universe	60%
	Bond Index	
Short-Term Investments	91 Day Canadian Treasury Bill	5%
Total		100%

Table 1.6

The objective of the Fund is to achieve a return that is equal to or greater than the return achieved from this benchmark portfolio over a rolling four-year period. The performance history of the Fund as of March 31, 2007 is shown in Table 1.10.

Fund Performance		
	1-Year Return	Rolling 4-Year Average
Fund's Return	9.06%	9.03%
Benchmark Return	8.18%	10.36%

Table 1.10

Cash Flow Forecast

The total cash inflow is the amount of contributions expected to be received by the pension plan. The total cash outflows are the amounts that are required to pay all pension obligations. Forecast of cash flows have been determined using the long term assumptions as follows:

Long-term Assumptions		
Factor	Current Year Assumptions	Prior Year Assumptions
Salary Escalation	3.50%	3.50%
Inflation	2.50%	2.50%
Discount Rate	5.00%	5.00%

Table 1.8

The actuarial valuations prepared by Eckler Ltd. also take into consideration mortality under the Plan, which is reflected in the Net Cash Flow Forecasts.

Cash Flow Forecasts			
Year	Net Cash Outflows (000s)		
	PSSP	Anti-TB	STC
2007-2008	\$ 107,441	\$ 531	\$ 2,087
2008-2009	111,700	503	2,104
2009-2010	116,764	474	2,199
2010-2011	122,694	443	2,154
2011-2012	128,920	406	2,119
Total next 5 Years	\$ 587,519	\$2,357	\$10,663
Total 5-10 Years	\$ 665,950	\$1,552	\$10,374
Total 11-30 Years	\$1,969,674	\$1,938	\$26,126

Table 1.9

Administration

The Board, which consists of three members appointed by the Lieutenant Governor in Council, is responsible for the administration of the Public Service Superannuation Act.

The Public Employees Benefits Agency (PEBA) has responsibility for the operation, administration and management of several superannuation plans and other employee benefits programs. Administration of the Public Service Superannuation Plan is carried out by PEBA.

Public Service Superannuation Plan

Tables

Table 1**Employees Retired Having Attained the Age of Retirement - Age 65**

Name	Position	Last Monthly Salary	Age
BEDFORD, Shirley Ellen	Nurse B	\$5,580.06	65
KHANNA, S. L. Paul	Instructor SIAST	\$5,998.63	65
LAWRENCE, John	Mould Room Technician Level 2	\$5,094.00	65
PHILIPS-BERG, Edith	Management Level 4	\$5,351.59	65
REIN, Mable G.	Clerk 5	\$2,656.68	65
ROSS, Michael M.	Mgmt Class Plan Level 8	\$6,918.00	65
STROMBERG, Patricia A	Comm Mental Health Nurse	\$5,443.00	65
WILLIAMS, Alan F.	Bus Driver	\$5,420.42	65

Table 2**Employees Retired at Their Option After Age 60 - With Reduction**

Name	Position	Last Monthly Salary	Age
NONE			

Table 3**Employees Retired at Their Option After Age 60 - No Reduction**

Name	Position	Last Monthly Salary	Age
ABEL, Mary Ann Carol	Social Worker	\$4,372.88	60
ADAMS, Alan F.	Director of Adult Programs	\$6,701.57	60
ALDWORTH, Pauline A.	Supervisor Level 8	\$4,327.44	60
ASH, Vera I.	Accounting Clerk	\$3,176.01	60
BAKAY, George	Research Officer Level 12	\$4,980.60	61
BEBLOW, James D.	Supvr Journeyman Mechanic	\$4,527.64	60
BERGEN, Bobby J.	Instructor SIAST	\$5,124.41	60
BISS, John W.	Executive Director	\$8,466.00	60
CHAPMAN, Richard G.	Equipment Operator Level 8	\$3,975.96	60
CHILKA, Sharon Laverne	Training Administrator Level 8	\$4,327.53	62
CLARK, Margaret H.	Document Processor Level 5	\$3,150.72	60
DESJARLAIS, Melchior	Fire Control Coordinator	\$3,811.12	60
DOMSHY, Leona O.	Instructor SIAST	\$4,891.10	61
EDWARDS, Frances A.	Attendant 4 LPN	\$4,017.00	60
FACEY, Norris Lloyd	Corrections Worker Level 8	\$3,444.45	60
FLOATA, Gordon	Corrections Worker Level 8	\$4,116.08	63
GATES, Harold L.	Pasture Manager Level 5	\$3,352.32	60
GENEST, Ron B.	Engineer	\$5,183.00	60
GENOWAY, Ruth S.	Adoptions Worker Level 8	\$4,116.08	63
GRUNDNER, Gerhard J.	Labourer Level 5	\$3,267.39	60
HAGLEY, Joan	Document Processor Level 5	\$3,150.72	60
HELMERSON, Larry	Labourer Level 8	\$3,848.33	62
HOFFMAN, Ivan John	Storekeeper Mgr Level 7	\$2,075.73	60
KISH, Victor	Grounds Keeper Level 6	\$3,593.47	60
LIND, Ronald E.	Ecologist Level 13	\$6,629.26	64
MCKINNEY, Roland Leslie	Asst. Assessment Appraiser	\$3,069.00	60
MICHAUD, Leonard P.	Journeyman Welder Level 8	\$4,116.08	60
MORRIS, Carrol Dawn	Administrator	\$5,794.64	61
PERRY, George Alfred	Equipment Operator Level 5	\$3,352.33	64
PROKOPIE, Orest	Corrections Worker Level 8	\$4,223.16	62
REGIE, J. R. Roger	Equipment Operator Level 5	\$3,267.40	60
RUNTZ, Gerald N.	Corrections worker Level 1	\$3,431.07	60
SERAY, Mary Eleanor	Clerk Typist Level 3	\$2,794.82	60
SMITH, Marylynn	Director of Social Services	\$6,449.63	61
TOGGWEILER, Hugo	Equipment Operator Level 5	\$3,267.40	60
TURANICH, Marilyn C.	Management Class Plan Level 7	\$6,464.19	60
WATERS, William G.	Document Processor Level 3	\$2,854.54	60
WENZEL, Leslie Lorne	Ferry Operator Level 6	\$3,939.06	64

Table 4**Employees Retired at Their Option With 35 Years Service**

Name	Position	Last Monthly Salary	Age
ALLAN, Myrna J.	Management Class Plan Level 6	\$5,945.04	54
ANDERSON, William A.	Nurse Level 3	\$5,085.75	55
BAHT, Robert Charles	Nurse Level 3	\$4,957.00	55
BELL, L. Keith	Management Class Plan Level 8	\$6,913.00	63
BOHRSON, Leslie T.	Agrologist Level 13	\$6,242.80	58
BORSA, Linda Rose	Administrator	\$3,686.17	55
BUCHTA, Pauline Marie	Management Class Plan Level 7	\$6,361.00	53
BURAK, Ronald Gordon	Engineering Asst Level 8	\$4,116.08	55
CARRIERE Murdoch V.	Management Level 10	\$7,503.00	57
DERBY, William	Communications Asst. Level 10	\$7,612.10	59
DODGE, Keith W.	Instructor SIAST	\$5,124.40	56
ERICKSON, Sharon R.	Addiction Counsellor	\$5,271.50	57
FENSOM, C. James	Appraisal Agrologist Level 2	\$5,100.00	56
FLAVELL, Guy S.	Park Supervisor	\$5,406.22	56
FODEY, Dolores Phyllis	Management Class Plan Level 4	\$3,028.59	53
FUCHS, Delphis	Director Acc/Supply Services	\$6,361.00	57
HALL, Reginald T.	Equipment Operator Level 7	\$3,811.12	55
HENDERSON, Philip L.	Occupational Physiotherapist	\$3,295.43	57
HERAUF, Robert S. C.	Claims Processing Director	\$6,541.07	57
HOLOIEN, Maxine P.	Management Class Plan Level 6	\$6,015.15	57
HUGEL, Brian G.	Engineering Assistant	\$3,330.00	55
HUTCHINSON, Shirley A.	Manager of Hearing Health	\$4,486.42	53
KEW, Vivian L.	Nurse A	\$5,118.85	53
KLEINER, Roy Ronald	Corrections Worker Level 9	\$4,527.64	58
KOHLSMITH, Mervin E.	Custody Supp Worker Level 11	\$5,478.72	55
KOSOWAN, Adam L.	Park Planner Level 12	\$6,026.81	57
KRAKOWETZ, Anne M.	Storekeeper Level 5	\$3,150.72	55
LOWE, Herbert J.	Education Counsellor	\$5,532.41	58
MACKAY, Catherine Ann	Management Class Plan Level 6	\$3,402.99	54
MATICK, Evelyn L.	Supervisor, Data Clerk Level 5	\$3,150.72	57
MCGONIGLE, Barry J.	Payroll Clerk	\$3,019.68	55
MCGONIGLE, Margaret D.	Vehicle Operator	\$2,773.44	55
MILLER, Delvin James	Management Class Plan Level 6	\$5,598.00	56
NEABLE, Brian	Special Care Aide	\$2,950.81	54
NORDIN, Albert A. E.	Management Class Plan Level 8	\$6,918.00	61
NORMINTON, David H.	Social Worker Level 8	\$6,913.07	55
NOWAKOWSKI, Nestor W. J.	Equipment Operator Level 5	\$3,352.32	55
PARENTEAU, Ronald A.	Service Attendant	\$2,786.88	56

continued

Table 4**Employees Retired at Their Option With 35 Years Service (continued)**

Name	Position	Last Monthly Salary	Age
PARENTEAU, W. Allan	Management Class Plan Level 7	\$6,361.00	55
QUINNEY, V. Gail	Info Service Officer Level 11	\$5,420.52	54
REID, Rae G.	Program Planning Level 11	\$6,849.96	59
RONEY, Keith N.	Research Policy Officer Level 11	\$5,478.72	58
SEREDA, Myron A.	Manager Level 10	\$7,794.00	57
SHULZ, Allen M.	Corrections Worker Level 9	\$4,527.64	58
SMITH, Bryan A.	Engineering Assistant Level 7	\$3,811.12	56
SMITH, Elvin J.	Resource Technologist Level 7	\$3,811.12	54
STEINER, Bryan Mathew	Sr Technical Analyst Level 10	\$6,269.17	55
STELMACOVICH, Donald	Equipment Operator Supervisor	\$3,352.33	56
STUBBINGTON, Barry W.	Management Level 6	\$5,488.00	57
SWANSON, Mervin E.	Executive Director, Compliance	\$7,923.00	56
TANNER, Edward William	Agrologist Level 11	\$5,478.72	57
THOMPSON, Teresina M.	Accounting Clerk Level 6	\$3,402.99	55
TIBO, Theophilus K.	Policy Officer Level 11	\$5,732.07	64
TREMBLAY, Diane M.	Technical Gerieralist 2	\$4,478.33	53
TUBMAN, Judy A.	Corrections Worker Level 8	\$4,116.08	55
WALKER, Janice E.	Document Processor Level 5	\$3,150.72	56
WILTSE, Earl R.	Ecologist Level 12	\$5,811.63	58
ZBOROWSKI, Terrance D.	Managing Director	\$7,200.00	59
ZIEGLER, Karen C.	Driver	\$2,708.83	53
ZIMMERMAN, Joseph R.	Equipment Operator Level 5	\$3,267.40	54

Table 5**Employees Retired After Age 55 with Minimum 30 Years Service - Reduced**

Name	Position	Last Monthly Salary	Age
BELL, Robert C.	Radio Technician Level 8	\$4,116.08	57
COOK, John C.	Information Services Officer	\$4,802.76	59
EBERTS, Richard G.	Instructor	\$5,124.41	55
GARTNER, Sharon L.	General Service Worker Level 2	\$2,539.90	58
LARIVIERE, Julia M.	Income Security Worker	\$3,917.42	55
PLAMONDON, Russell J.	Equipment Operator Level 8	\$4,116.08	57
SAKON, Marie T.	Librarian Level 12	\$5,811.63	58
SWENSON, Lorne C.	Resource Technologist Level 9	\$4,527.64	58
VANIN, Wallace A.	Agrologist Level 11	\$5,319.21	56

Table 6**Employees Retired on Grounds of Ill Health**

Name	Position	Last Monthly Salary	Age
NONE			

Table 7**Employees Granted Deferred Allowances**

Name	Position	Last Monthly Salary	Age
NONE			

Table 8**Employees Granted Deferred Allowances - Now Payable**

Name	Position	Last Monthly Salary	Age
BOGDASAVICH, Darryl G.	Executive Director, Civil Law	\$8,889.00	60

Table 9**Employees Granted an Early Retirement Allowance**

Name	Position	Last Monthly Salary	Age
NONE			

Table 10**Deceased Employees**

Name	Position	Last Monthly Salary	Age
BUCHAN, John A.	Agrologist Level 8	\$8,310.00	64
CLARK, Sharon	Data Entry Clerk	\$3,075.00	55
CORRIGAL, Shirley	Institutional Service Worker Level 1	\$2,673.37	51
McCAFFERY, H. Stanley	Secure Custody Day Worker	\$3,529.95	54
NICKLIN, Brenda	Research Officer Level 10	\$4,756.49	54
ROMANIUK, Gail	Research Officer Level 12	\$5,187.00	55
VAN MOORLEHEM, Ross	Dental Equipment Technician	\$3,523.00	56
WARREN, David D.	Manager Level 8	\$7,164.25	59

Managements' Report

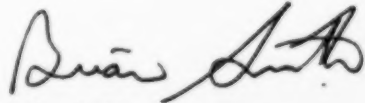
To the Members of the Legislative Assembly of Saskatchewan

Administration of the Plan is presently assigned to the Public Employees Benefits Agency of the Department of Finance. Management is responsible for financial administration, administration of funds and managing of assets.

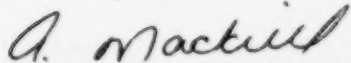
The financial statements which follow have been prepared by management in conformity with Canadian generally accepted accounting principles. Management uses internal controls and exercises its best judgment in order that the financial statements fairly reflect the financial position of the Plan.

The accrued pension benefits are determined by an actuarial valuation. Actuarial valuation reports require best judgment in order that the financial statements reflect fairly the financial position of the Plan.

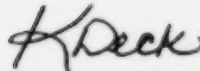
The financial statements have been audited by the Provincial Auditor whose report follows.



Brian Smith
Assistant Deputy Minister
Public Employees Benefits Agency



Ann Mackrill
Director, Pension Programs
Public Employees Benefits Agency



Kathy Deck
Director, Financial Services
Public Employees Benefits Agency

Regina, Saskatchewan
June 1, 2007

Actuary's Opinion

Eckler Ltd. was retained by the Public Service Superannuation Board (the Board) to perform actuarial valuations of the accrued pension benefits of the Public Service Superannuation Plan, including the Public Service Superannuation Fund, the Anti-Tuberculosis League Employees Superannuation Fund, and the Saskatchewan Transportation Company Employees Superannuation Fund (the Plan) on an accounting basis as at December 31, 2005. Eckler Ltd. was further retained to extrapolate these results to March 31, 2006 and March 31, 2007.

The actuarial valuations and extrapolations of the Plan's accrued pension benefits were based on:

- Membership data provided by the Board as at December 31, 2005;
- Asset data for Anti-Tuberculosis League Employees Superannuation Fund and Saskatchewan Transportation Company Employees Superannuation Fund provided by the Board as at March 31, 2007;
- Methods prescribed by the Canadian Institute of Chartered Accountants for pension plan financial statements; and
- Assumptions about future events (economic and demographic) which were developed by management and Eckler Ltd. and are considered as management's best estimate of these events.

While the actuarial assumptions used to estimate the present value of the accrued pension benefits for the Plan's financial statements contained in the Annual Report represent management's best estimate of future events, and while in our opinion these assumptions are reasonable, the Plan's future experience will differ from the actuarial assumptions. Emerging experience differing from the assumptions will result in gains or losses that will be revealed in future valuations, and will affect the financial position of the Plan.

We have tested the data for reasonableness and consistency with prior valuations and in our opinion the data are sufficient and reliable for the purposes of the valuations and the extrapolations. We also believe that the methods employed in the valuations and extrapolations and the assumptions used are, in aggregate, appropriate. Our opinions have been given and our valuations and extrapolations have been performed in accordance with accepted actuarial practice.



John Corp, FIA, FCIA
Eckler Ltd.

June 1, 2007

**PUBLIC SERVICE SUPERANNUATION BOARD
PUBLIC SERVICE SUPERANNUATION PLAN**

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2007

Auditor's Report

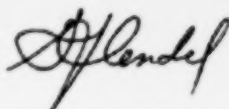
To the Members of the Legislative Assembly of Saskatchewan

I have audited the statement of net assets available for benefits, accrued pension benefits and unfunded liability of the Public Service Superannuation Plan as at March 31, 2007 and the statements of changes in net assets available for benefits, and changes in accrued pension benefits for the year then ended. The Plan's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the net assets available for benefits, accrued pension benefits and unfunded liability of the Plan as at March 31, 2007 and the changes in net assets available for benefits and accrued pension benefits for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
June 1, 2007



Fred Wendel, CMA, CA
Provincial Auditor

**PUBLIC SERVICE SUPERANNUATION PLAN
STATEMENT OF NET ASSETS AVAILABLE FOR BENEFITS, ACCRUED
PENSION BENEFITS AND UNFUNDED LIABILITY**

STATEMENT 1

AS AT MARCH 31

	Anti-Tuberculosis League Employees Superannuation Fund		Sask Transportation Company Employees Superannuation Fund		Public Service Superannuation Fund		Total	
	(000's)		(000's)		(000's)		(000's)	
	2007	2006	2007	2006	2007	2006	2007	2006
ASSETS								
INVESTMENTS: (Note 3)								
Pooled funds	\$ -	\$ -	\$14,786	\$16,078	\$ -	\$ -	\$14,786	\$16,078
RECEIVABLES:								
Due from General Revenue Fund (Note 5)	-	1	9	-	-	77	9	78
Employees' contributions	1	-	1	1	335	18	337	19
Employers' contributions	1	-	1	1	48	15	50	16
Other receivables	5	5	-	1	10	10	15	16
Total assets	7	6	14,797	16,081	393	120	15,197	16,207
LIABILITIES								
Due to General Revenue Fund (Note 5)	-	-	-	399	-	-	-	399
Contributions payable to General Revenue Fund	-	-	-	-	248	-	248	-
Administrative expense payable	2	6	8	11	-	-	10	17
Other payables	5	-	-	1	145	120	150	121
Total liabilities	7	6	8	411	393	120	408	537
NET ASSETS AVAILABLE FOR BENEFITS (Statement 2)	-	-	14,789	15,670	-	-	14,789	15,670
Accrued pension benefits (Statement 3)	4,049	4,286	27,846	27,283	1,854,824	1,759,491	1,886,719	1,791,060
Unfunded liability	\$4,049	\$4,286	\$13,057	\$11,613	\$1,854,824	\$1,759,491	\$1,871,930	\$1,775,390

(See accompanying notes to the financial statements)

**PUBLIC SERVICE SUPERANNUATION PLAN
STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS**

STATEMENT 2

YEAR ENDED MARCH 31

	Anti-Tuberculosis League Employees Superannuation Fund		Sask Transportation Company Employees Superannuation Fund		Public Service Superannuation Fund		Total	
	(000's)		(000's)		(000's)		(000's)	
	2007	2006	2007	2006	2007	2006	2007	2006
INCREASE IN ASSETS:								
Investment income								
Distributions-Pooled Funds	\$ -	\$ -	\$ 816	\$ 761	\$ -	\$ -	\$ 816	\$ 761
Market value adjustment (Note 2)	-	-	482	904	-	-	482	904
Contributions (Note 6)								
Employees'	4	2	28	42	4,224	4,335	4,256	4,379
Employers'	4	2	28	42	1,098	1,028	1,130	1,072
	8	4	56	84	5,322	5,363	5,386	5,451
Deficiency contribution from General Revenue Fund (Note 6)	583	560	-	-	100,054	95,682	100,637	96,242
Total increase in assets	591	564	1,354	1,749	105,376	101,045	107,321	103,358
DECREASE IN ASSETS:								
Administration expense (Note 7)	13	11	57	60	-	-	70	71
Superannuation allowances	578	553	2,178	2,118	103,722	100,363	106,478	103,034
Refunds and transfers	-	-	-	612	1,654	682	1,654	1,294
Total decrease in assets	591	564	2,235	2,790	105,376	101,045	108,202	104,399
Net decrease in assets	-	-	(881)	(1,041)	-	-	(881)	(1,041)
NET ASSETS AVAILABLE FOR BENEFITS, BEGINNING OF YEAR	-	-	15,670	16,711	-	-	15,670	16,711
NET ASSETS AVAILABLE FOR BENEFITS, END OF YEAR (Statement 1)	\$ -	\$ -	\$14,789	\$15,670	\$ -	\$ -	\$14,789	\$15,670

(See accompanying notes to the financial statements)

**PUBLIC SERVICE SUPERANNUATION PLAN
STATEMENT OF CHANGES IN ACCRUED PENSION BENEFITS**

STATEMENT 3

YEAR ENDED MARCH 31

	Anti-Tuberculosis League Employees Superannuation Fund		Sask Transportation Company Employees Superannuation Fund		Public Service Superannuation Fund		Total	
	(000's)		(000's)		(000's)		(000's)	
	2007	2006	2007	2006	2007	2006	2007	2006
ACCRUED PENSION BENEFITS, beginning of year	\$4,286	\$4,465	\$27,283	\$25,563	\$1,759,491	\$1,588,098	\$1,791,060	\$1,618,126
INCREASE IN ACCRUED PENSION BENEFITS								
Benefit improvement	122	-	1,276	-	93,960	-	95,358	-
Change in actuarial assumptions	-	290	-	2,977	-	202,992	-	206,259
Interest on accrued pension benefits	200	262	1,313	1,517	85,819	96,596	87,332	98,375
Benefits accrued	15	7	116	148	19,135	15,918	19,268	16,073
Net experience loss	4	-	34	-	1,795	-	-1,833	-
	341	559	2,741	4,642	200,709	315,506	203,791	320,707
DECREASE IN ACCRUED PENSION BENEFITS								
Benefits paid	578	553	2,178	2,730	105,376	101,045	108,132	104,328
Net experience gain	-	185	-	192	-	43,068	-	43,445
	578	738	2,178	2,922	105,376	144,113	108,132	147,773
ACCRUED PENSION BENEFITS, end of year (Statement 1)	\$4,049	\$4,286	\$27,846	\$27,283	\$1,854,824	\$1,759,491	\$1,886,719	\$1,791,060

(See accompanying notes to the financial statements)

PUBLIC SERVICE SUPERANNUATION PLAN NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2007

1. Description of the Plan

a) General

The Public Service Superannuation Board (Board) administers the funds that make up the Public Service Superannuation Plan (Plan). Day-to-day administration is provided by the Public Employees Benefits Agency (PEBA).

The Plan is a defined benefit final average pension plan. Plan details are contained in *The Public Service Superannuation Act* and *The Superannuation (Supplementary Provisions) Act*. The three main components of the Plan are described as follows:

i) Anti-Tuberculosis League Employees Superannuation Fund

The Anti-Tuberculosis League Employees Superannuation Fund (AntiTB Fund) was established under provisions of an amendment to *The Public Service Superannuation Act*, effective April 1, 1979. The AntiTB Fund accumulates contributions of employees of the Saskatchewan Anti-Tuberculosis League and any investment income.

ii) Saskatchewan Transportation Company Employees Superannuation Fund

The Saskatchewan Transportation Company Employees Superannuation Fund (STC Fund) was established by an amendment to *The Public Service Superannuation Act*, effective April 1, 1981. The STC Fund accumulates contributions of employees of the Saskatchewan Transportation Company as of March 31, 1981 and any investment income.

iii) Public Service Superannuation Fund

Members of the Public Service Superannuation Fund (PSSF) include those public service employees who were employed prior to October 1, 1977 and did not elect to transfer to the Public Employees Pension Plan prior to October 1, 1978.

b) Funding Policy

Members contribute at the rate of 7%, 8% or 9% of salary depending on their age at the date of commencement of employment. Contributions are reduced by an amount equal to deemed Canada Pension Plan contributions.

Certain employers are required to match employees' contributions in respect of current service.

c) Retirement

Normal retirement is at age 65. Members may retire earlier under certain conditions.

d) Pensions

Annual pensions are calculated as 2% of a member's average salary during the five years of highest salary, multiplied by the total number of years of service to a maximum of 35. At age 65, members' pensions are reduced due to integration with the Canada Pension Plan.

2. Significant Accounting Policies

The financial statements are prepared in accordance with Canadian generally accepted accounting principles. The following accounting policies are considered significant.

a) Investments

Pooled funds are recorded at market value based on the quoted market prices of the underlying investments.

The change in the market value of investments during the year is recorded as a market value adjustment.

b) Investment Transactions

Investment transactions are recorded on the trade date. Transactions conducted in foreign currencies are translated into Canadian dollars using the exchange rate in effect at the transaction date. Distributions are recognized on the record date.

3. Investments - STC Fund

Due to the long-term horizon of the Fund's liabilities, the Fund takes a long-term investment perspective. The strategy employed to achieve these objectives is to invest cash flows from contributions and investment returns into pooled funds.

a) Interest Rate Risk

Interest rate risk refers to the adverse consequences of interest rate changes on the Fund's cash flows, financial position and income. This risk arises from differences in the timing and amount of cash flows related to the Fund's assets and liabilities. The value of the Fund's assets is affected by short-term changes in nominal interest rates and equity markets. Interest rate risk is managed by investing in a fixed income pooled fund that varies the duration of fixed term securities.

b) Credit Risk

Credit risk arises from the potential for an investee to fail or for an issuer to default on its contractual obligations to the Fund. The Fund limits the credit risk by dealing with issuers that are considered to be high quality.

c) Foreign Currency Risk

Foreign currency exposure arises from the Fund holding investments denominated in currencies other than the Canadian dollar. Fluctuations in the relative value of the Canadian dollar against these foreign currencies can result in a positive or negative effect on the value of investments. The Fund limits the foreign currency risk by limiting the investment in foreign funds.

d) Market Risk

Market risk is the risk that the value of an investment will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual investment, or factors affecting all securities traded in the market. The Board's policy is to invest in a diversified portfolio of investments, based on criteria established in the Statement of Investment Policies and Goals.

Pooled Funds

Foreign equities including foreign pooled funds are limited to 25% of the cost of the investment portfolio. The Fund's units in pooled funds have no fixed interest rate and the returns are based on the success of the fund manager. The Fund's pooled funds are comprised of the following:

	Units Held		% of Total Units Outstanding		Market Value		Investment Income and Change in Market Value	
	2007	2006	2007	2006	2007	2006	2007	2006
	(000's)				(000's)		(000's)	
Greystone Fixed Income Fund	865	918	2.25	3.65	\$ 8,847	\$ 9,296	\$ 531	\$ 504
Greystone Canadian Equity Fund	68	81	0.20	0.30	2,074	2,364	363	653
Greystone EAFE Plus Fund	120	158	0.10	0.12	1,507	1,752	289	325
Greystone US Equity Fund	121	152	1.47	3.72	1,487	1,778	83	160
Greystone Money Market Fund	87	89	0.91	1.84	871	888	32	23
					<u>\$14,786</u>	<u>\$16,078</u>	<u>\$1,298</u>	<u>\$1,665</u>

The Greystone EAFE Plus Fund holds units in the Greystone EAFE Quantitative Fund and the Greystone EAFE Growth Fund. These funds may use derivative financial instruments such as foreign currency forward exchange contracts and future contracts for hedging foreign currency and replicating indexes.

Derivative financial instruments are financial contracts that change in value resulting from changes in underlying assets or indices. Derivatives transactions are conducted in over-the-counter markets directly between two counterparties or on regulated exchange markets. All derivative financial instruments are recorded at market value using market prices. Where market prices are not readily available, other valuation techniques are used to determine market value.

4. Accrued Pension Benefits

An actuarial valuation was performed as at December 31, 2005 by Eckler Ltd., a firm of consulting actuaries, the results of which were extrapolated by them to March 31, 2006 and March 31, 2007. The actuaries used the projected benefit method prorated on service to determine the actuarial present value of the pensions accrued in respect of service to the valuation date.

The value of the accrued pension benefits is based on a number of assumptions about the future events including: salary escalation rate, inflation rate, discount rate, mortality, retirements and terminations. The actual results may vary significantly from the long-term assumptions used.

Significant long-term actuarial assumptions used in determining the accrued pension benefits were:

	2007	2006
Salary escalation rate	3.50%	3.50%
Inflation rate	2.50%	2.50%
Interest rate	5.00%	5.00%
Mortality table	1994 UP (projected to 2015)	1994 UP (projected to 2015)
Indexing	1.75% (70% CPI)	Ad Hoc 1.25% (50% CPI)

The experience loss resulted from the pension increase at April 1, 2007 being 1.4% rather than the 1.25% assumed in the December 31, 2005 valuation.

The following illustrates the effect on the accrued pension benefits of changing the estimated rates of inflation, salary escalation and interest rate.

Long-term Assumptions						
Effect on Liability Assumptions	Inflation*		Salary		Discount Rate	
	3.50%	1.50%	4.50%	2.50%	6.00%	4.00%
AntiTB (decrease) increase	(2.7%)	2.9%	0.0%	(0.0%)	(6.1%)	6.9%
STC (decrease) increase	(3.7%)	3.5%	0.3%	(0.3%)	(9.1%)	10.8%
PSSF (decrease) increase	(3.8%)	3.6%	0.7%	(0.7%)	(10.3%)	12.5%

* A 1% change in the inflation rate has a corresponding change in the interest rate and salary rate of 1% and in the post-retirement indexing of 0.7%.

The *Superannuation (Supplementary Provisions) Act* was amended on March 27, 2007. The amendment provides indexing to superannuates each April 1 based upon 70% of the year over year increase in the Consumer Price Index and replaces the ad hoc indexing provided in prior years. The effect of this change is shown as a Benefit improvement on Statement 3.

5. Due to/from General Revenue Fund

The STC Fund and the AntiTB Fund bank accounts are included in the Consolidated Offset Bank Concentration arrangement for the Government of Saskatchewan.

Each Fund's earned interest is calculated and paid by the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily bank account balance. The Government's average thirty-day borrowing rate in 2007 was 4.15% (2006– 2.82%).

6. Deficiency Contribution from the General Revenue Fund

Under Section 40 of *The Public Service Superannuation Act*, all funds received by the Board for the PSSF are recorded as revenue of the General Revenue Fund. No funds are set aside for the payment of future benefits. All allowances and other payments are made out of the General Revenue Fund. The transactions relating to employers' and employees' contributions, superannuation allowances and refunds and transfers are recorded in these financial statements for accountability purposes.

Any deficiency of allowances and other payments over employers' and employees' contributions are recorded as a Deficiency Contribution from the General Revenue Fund. The administration costs of the PSSF are borne by the General Revenue Fund (see Note 7).

Subsections 60.1(12) and 60.2(13) of *The Public Service Superannuation Act* states that if there is insufficient money in the STC Fund and the AntiTB Fund to pay allowances or make other payments, the Minister of Finance is obligated to pay any such deficiency out of the General Revenue Fund.

7. Related Party Transactions

a) Administration

- i) The annual operating expenditures associated with the administration of the STC Fund and AntiTB Fund are paid to the Public Employees Benefits Agency Revolving Fund except for investment management fees incurred for the STC Fund which are paid directly to Greystone Capital Management Inc.

	2007 (000's)						2006 (000's)		
	AntiTB		STC		Total		AntiTB	STC	Total
	Budget	Actual	Budget	Actual	Budget	Actual			
Administration costs	\$10	\$13	\$27	\$29	\$37	\$42	\$11	\$22	\$33
Investment management fees	-	-	-	28	-	28	-	38	38
	\$10	\$13	\$27	\$57	\$37	\$70	\$11	\$60	\$71

ii) Public Service Superannuation Fund (PSSF)

In accordance with subsection 3(3) of *The Public Service Superannuation Act*, all general administrative and employee costs required for the administration of the PSSF are paid out of the General Revenue Fund. Accordingly, no provision for these costs is included in these financial statements. Administration costs for the year were \$947,812 (2006 - \$906,064).

8. Fair Value of Financial Assets and Financial Liabilities

For the following financial instruments, the fair value approximates their carrying value due to the immediate or short-term nature of these instruments. These financial instruments are interest and non-interest bearing and are due or payable within the next year.

Due to this short-term maturity, the fair value of these financial instruments approximates their carrying value.

- a) Due from General Revenue Fund (GRF)
- b) Employees' contributions receivable, employers' contributions receivable, and other receivables
- c) Due to GRF, contributions payable to GRF, administrative expenses payable and other payables

For investments, fair values are considered to be market value, the calculation of which is described in Note 2.

The accrued pension benefits are long-term in nature and there is no market for settling these obligations. Therefore, it is not practicable to determine the fair value of the accrued pension benefits with sufficient reliability (see Note 4).

9. Investment Performance - STC Fund

The investment manager makes day-to-day decisions on whether to buy or sell investments in order to achieve the long-term performance objectives set by the Board. The Board reviews the investment performance of the Fund in terms of the performance of the benchmark portfolio over four year rolling periods. The primary long-term investment performance objective for the entire portfolio is to outperform a benchmark portfolio.

The following is a summary of the Fund's investment performance:

	2007	Rolling Four Year Average Annual Return
Fund's actual rate of return (a)	9.06%	11.03%
Target rate of return (b)	8.18%	10.36%

- (a) The annual returns are before deducting investment expenses.
- (b) The Fund's target rate of return for its investment portfolio (return on the benchmark portfolio) has been determined using the actual returns of the market indexes such as the Toronto Stock

Exchange 300 Capped 10% Index, the Morgan Stanley Capital International Europe Australia Far East Index and the Scotia Capital Markets Universe Bond Index.

10. Cash Flow Forecast

The total cash inflows are the amount of contributions expected to be received by the pension plan. The total cash outflows are the amounts required to pay all accrued pension benefits. The forecast of cash inflows and outflows have been determined using the long-term assumptions outlined in Note 4. The expected net cash flows are not adjusted for inflation, they are based on actual dollar forecasts.

The cash required for PSSF is the amount by which the cash outflows exceed cash inflows and is forecast to the end of the year 2037.

Year	Cash Inflows (000's)	Cash Outflows (000's)	Cash Required (000's)
2007-2008	\$3,125	\$110,566	\$107,441
2008-2009	2,667	114,367	111,700
2009-2010	2,072	118,836	116,764
2010-2011	1,483	124,177	122,694
2011-2012	860	129,780	128,920
Total within 5 years	\$10,207	\$597,726	\$587,519
Total 5 - 10 years	\$878	\$666,828	\$665,950
Total 11 - 30 years	\$62	\$1,969,736	\$1,969,674

The estimated net cash outflows for the AntiTB Fund for the next 5 years is \$2.4 million, for the next 10 years \$3.9 million and for the next 30 years \$5.8 million. The estimated net cash outflows for the STC Fund for the next 5 years is \$10.7 million, for the next 10 years \$21.0 million, and for the next 30 years \$47.2 million. The net cash outflows do not consider future investment income and the redemption of investments.

